

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

HALO CREATIVE & DESIGN LIMITED,
et al.,

Plaintiffs/Counter-Defendants,

v.

COMPTOIR DES INDES, INC., et al.,
et al.,

Defendants/Counter-Plaintiff.

No. 14 CV 08196

Chicago, Illinois
September 11, 2018
9:35 a.m.

TRANSCRIPT OF PROCEEDINGS

BEFORE THE HONORABLE HARRY D. LEINENWEBER

APPEARANCES:

For the Plaintiffs:

GREENBERG TRAURIG, LLP
BY: MR. RICHARD D. HARRIS
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APPEARANCE TELEPHONICALLY:

For the Defendants:

FISHER BROYLES, LLP
BY: MR. ALASTAIR J. WARR
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Court Reporter:

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1 (Proceedings heard in open court:)

2 THE CLERK: 14 C 8196, Halo versus CDI.

3 THE COURT: Some faces I've seen before.

4 MR. HARRIS: Yes, we have, your Honor. Your Honor,
5 I'm Richard Harris. With me is Barry Horwitz on behalf of
6 Halo.

7 THE COURT: I was trying to figure out, what is it?
8 We can't tell the U.S. government anything in a motion?

9 MR. WARR: This is Alastair Warr.

10 THE CLERK: Mr. Warr by phone, Judge.

11 THE COURT: Oh, excuse me. Do we have everybody
12 here?

13 MR. HARRIS: Your Honor, with regard to your inquiry,
14 the government was -- because they were not a party to the
15 case, they've asked that we soften a little bit some of the
16 language with regard to their obligations with Customs. And
17 we have no objection to it, and we've reflected that slight
18 modification in the order.

19 THE COURT: Is that correct?

20 MR. WARR: Yes, your Honor. And as we communicated
21 to Mr. Harris and Mr. Horwitz yesterday, I received late
22 yesterday afternoon confirmation from the bankruptcy trustee
23 in Montreal that they have no objection to the proposed
24 modification.

25 THE COURT: All right. So the modification --

1 modified permanent injunction is hereby entered. Thank you.

2 MR. HARRIS: Thank you, your Honor. Your Honor --

3 THE COURT: Me1, do you want to --

4 MR. HARRIS: -- it's been a while since we've had a
5 status conference in this case. Perhaps we could address some
6 of -- there's some outstanding motions and the like that
7 perhaps could be addressed.

8 THE COURT: What are --

9 MR. HARRIS: Well, number one, the first motion, the
10 plaintiff had moved for a declaration that the case is
11 exceptional in view of the willfulness findings and litigation
12 conduct for -- towards the application of enhanced damages.

13 Defendants moved for a new trial with regard to what
14 the evidence did or didn't support and the extent of the
15 damages. And defendants also moved to stay the case, which is
16 why those other things haven't been addressed. Defendants
17 moved to stay the case with regard to something that's still
18 purportedly going on in Canada.

19 And to date, this is now four -- or excuse me, six
20 months later, there still has been no filing by defendants of
21 a bankruptcy Chapter 15 petition, which is required for
22 staying the case. So we're still waiting for the Court to
23 address that stay issue and the other issues that are being
24 held up because of it.

25 THE COURT: I didn't stay it on May 24th?

1 MR. HARRIS: You did stay it, your Honor, but there
2 were objections to it, and we had brought the existence and
3 the obligations under Title 15, bankruptcy title 15.

4 THE COURT: I was not aware of it. It's my fault, I
5 suppose. So we need to address -- do we need to hear from
6 defendant?

7 MR. HARRIS: I believe they responded to that --
8 those objections in the motion.

9 MR. WARR: Yes, I believe everything's been fully
10 briefed, your Honor. If the Court will indulge me, I'll be
11 happy to quote an email that I received from the bankruptcy
12 trustee in Montreal on Friday afternoon.

13 THE COURT: All right.

14 MR. WARR: And that email says, and I quote:

15 "CDI is officially bankrupt since August 10, 2018,
16 and the creditors meeting was held 21 days thereafter.
17 CDI's statement of affairs included no assets except for
18 the Halo-related inventory and CDI's claim against Halo,
19 since all other assets have been acquired by Container
20 Direct International and Container Direct Trademark
21 according to the court's order rendered on April 12,
22 2018."

23 I have asked for a copy of that court order, but I
24 have yet to receive it.

25 MR. HARRIS: Your Honor --

1 THE COURT: Yes.

2 MR. HARRIS: -- if I can respond to that
3 representation. CDI is still doing business both in Canada
4 and the United States under the name CDI, and they asked for a
5 stay in this country, a stay that should be denied because
6 they haven't complied with the bankruptcy rules of this
7 country.

8 We need to address the other motions in this case and
9 potential other sanctions against CDI. And simply because
10 someone is sending emails saying, "Gee, things are going well
11 in Canada" still doesn't comply with U.S. law. They have not
12 complied with U.S. law, and they are not entitled to a stay in
13 the U.S. This case and the ramifications of their conduct
14 need to be addressed.

15 THE COURT: All right. I'll take a look at these
16 pending motions. Let's have a status in two weeks. I'll see
17 if I can't resolve them in that period of time.

18 THE CLERK: September 26th at 9:00 a.m.

19 MR. HARRIS: Actually, if we could, I'm going to be
20 out of town until the 28th, if we could possibly do it the
21 week after.

22 THE COURT: Sure.

23 THE CLERK: October 3rd at 9:00 a.m.

24 THE COURT: Thank you.

25 MR. HARRIS: Thank you.

1 MR. WARR: Thank you.

2 MR. HARRIS: Thank you, Judge.

3 THE COURT: All right.

4 (Proceedings adjourned at 9:41 a.m.)

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6 C E R T I F I C A T E

7 I, Judith A. Walsh, do hereby certify that the
8 foregoing is a complete, true, and accurate transcript of the
9 proceedings had in the above-entitled case before the
10 Honorable HARRY D. LEINENWEBER, one of the judges of said
11 Court, at Chicago, Illinois, on September 11, 2018.

12

13 /s/ Judith A. Walsh, CSR, RDR, F/CRR September 18, 2018

14 Official Court Reporter

15 United States District Court

16 Northern District of Illinois

17 Eastern Division

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